

Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 04535 202252Z

72

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 SWF-02 AGR-20 AID-20 IO-14 IGA-02

AEC-11 CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00 FEA-02

FPC-01 H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01

PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00

PA-04 USIA-15 PRS-01 DRC-01 /203 W

----- 096016

R 202118Z MAY 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 3892

LIMITED OFFICIAL USE CARACAS 4535

E.O. 11652: N/A

TAGS: EAGR, VE

SUBJECT: WORLD FERTILIZER SITUATION: LDC PRODUCTION PROBLEMS

REF: (A) STATE 95838; (B) CARACAS 4432

1. LARGE NEW INCREMENTS TO VENEZUELA'S FERTILIZER PRODUCTION ARE EXPECTED TO BE IN OPERATION SOON, SUGGESTING THAT SECTOR MAY BE APPROACHING POINT OF TAKE-OFF AND HAVE OVERCOME PAST DISAPPOINTING PERFORMANCE. BY JULY, 1974, COUNTRY EXPECTS TO HAVE ADDED 594,000 MT/YR. AND 792,000 MT/YR. TO CAPACITY OF AMMONIA AND UREA PRODUCTION RESPECTIVELY (SEE REF B). WHILE THEIR HISTORY OF DELAYS IS BY NO MEANS REASSURING, THE EMBASSY FEELS THAT THE FERTILIZER PRODUCERS ARE ATTEMPTING TO COMPLETE PLANTS AND GET INTO OPERATION IN SHORTEST TIME POSSIBLE AND HAVE MEANS AT THEIR DISPOSAL TO ACCOMPLISH TASK.

2. IN OUR SURVEY OF FERTILIZER- - - -
PROJECTS OF GOVERNMENT ENTITY INSTITUTO VENEZOLANO DE PETROQUIMICA (IVP) AND NITROVEN, WHICH IS DOMINATED BY IVP THROUGH 90 PCT OWNERSHIP, THEIR ENGINEERS AND OFFICIALS OFFERED FOLLOWING REASONS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 04535 202252Z

TO EXPLAIN DELAYS AND DIFFICULTIES ENCOUNTERED IN STARTING UP NEW

PLANTS: (A) LACK OF TRAINED MANPOWER; (B) INEVITABLE SNAGS ASSOCIATED WITH INSTALLATION OF PROTOTYPE PLANTS AT EL TABLAZO; (3) PROBLEMS SECURING MATERIALS AT TIME OF WORLDWIDE SHORTAGES.

THOSE SPOKEN TO EXPRESS CONFIDENCE THAT LEVEL OF COMPETENCE OF OPERATORS AND WORKERS IS IMPROVING WITH TIME, THAT SEVERAL FLAWS IN INSTALLATION HAVE BEEN OVERCOME AND THAT MATERIALS SITUATION IS PAST CRITICAL POINT. BECAUSE IVP IS AN AUTONOMOUS GOVERNMENT ENTITY, IT HAS NOT BEEN INHIBITED IN ACHIEVING FULL PRODUCTION BY GOVERNMENT POLICIES ON ALLOCATION OF RESOURCES OR IMPEDIMENTS TO THE IMPORT OF NEEDED MATERIALS.

3. EMBASSY IS INFORMING VENEZUELAN FOREIGN MINISTRY BY NOTE OF UNITED STATES GOVERNMENT CONCERN ABOUT WORLD FERTILIZER SITUATION AND ITS READINESS PROVIDE LIMITED NUMBER OF TVA TECHNICIANS TO HELP BREAK BOTTLENECKS IN PRODUCTION. NOTE EXPRESSES IMPRESSION THAT PROBLEMS IN VENEZUELA APPEAR TO BE DIFFICULTIES IN CONSTRUCTION AND INITIAL OPERATION WHICH ARE COMMON IN SUCH COMPLEX INDUSTRIAL DEVELOPMENTS, AND VENEZUELAN GOVERNMENT HAS CAPABLE VENEZUELAN AND FOREIGN TECHNICIANS AT WORK ON THEM. EMBASSY NOTE OFFERS TO CONVEY REQUEST FOR TVA TECHNICIAN ON REIMBURSABLE BASIS TO U.S. GOVERNMENT IF VENEZUELAN GOVERNMENT WISHES. NOTE ASKS FOREIGN MINISTRY TO INFORM VENEZUELAN GOVERNMENT AGENCIES INVOLVED (PRESUMABLY MINISTRIES OF MINES AND HYDROCARBONS, AGRICULTURE AND COMMERCE, AND FOREIGN TRADE INSTITUTE, AND MINISTER FOR INTERNATIONAL ECONOMIC AFFAIRS MANUEL PEREZ GUERRERO) OF THIS U.S. GOVERNMENT PROGRAM, IN WHICH THEY WILL BE INTERESTED BECAUSE OF VENEZUELA'S ROLE AS PRODUCER OF FERTIZLIZER AND FEED-STOCKS FOR PETROCHEMICAL FERTILIZER. MCCLINTOCK

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGRICULTURAL PRODUCTION, LESS DEVELOPED COUNTRIES, INDUSTRIAL DEVELOPMENT, FERTILIZERS, SURVEYS, INDUSTRIAL PLANTS, DIPLOMATIC NOTES
Control Number: n/a
Copy: SINGLE
Draft Date: 20 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CARACA04535
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740125-0580
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740535/aaaabeir.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: (A) STATE 95838; (B) CARACAS 4432
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 23 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 SEP 2002 by boyleja>; APPROVED <10 JAN 2003 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: WORLD FERTILIZER SITUATION: LDC PRODUCTION PROBLEMS
TAGS: EAGR, VE, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005